

Member Briefing: Session 1

Our democratic system and the history of MPs' pay

Introduction

Everyone will come into this Forum with different levels of knowledge about the things we will be discussing. Some of us already know a lot about our democratic system and how MPs are paid and funded. For others, this will be new. That's fine!

This first session aims to give us a shared starting point. It will help us think about how pay and funding supports democracy. For example:

- Our democratic system and the role that MPs play
- How pay and funding has impacted on Parliament

You will use what you learn in this session when discussing different ideas and recommendations in future sessions. Future sessions will go into more detail about the role of MPs and how pay and funding is currently decided.

You may hear some words or concepts that you are not familiar with. We have provided a list with definitions of key words and concepts that you might find useful at the bottom of this document.

How this will work

During Session 1, you will hear information from the following speakers:

Martin Spychal, Historian | A history of the UK electoral system

Helen Pankhurst, Women's Rights Activist | Creating a representative Parliament

Serena Barker-Singh, Political Journalist | Our Democracy Now

After the speakers' talks, you will discuss what you heard in small groups. A facilitator will guide the conversation and help capture your thoughts and questions. If there is time, the experts may answer some questions during the session. Other questions may be answered later.

Our Democratic System

The UK operates under a democratic system in which General Elections are held every 5 years (if not less), giving the public the opportunity to elect representatives to the House of Commons to make decisions on their behalf. This is what is known as a **representative democracy**.

The UK is divided up into geographical areas, known as constituencies, which each elects one Member of Parliament (MP) to represent them. An MP is elected to Parliament if they win the most votes in their constituency.

The UK Parliament is made up of two chambers: the House of Commons and the House of Lords. Together these are called the Houses of Parliament.

The House of Commons is where elected MPs debate, hold the Government to account, and pass the laws and rules that govern the UK. The House of Lords performs similar roles, but in the case of conflict can usually be overridden by the House of Commons; it is made up of unelected representatives.

The role of Parliament is broadly made up of three areas:

- **Legislation:** examining and approving new laws or taxes.
- **Scrutiny:** checking and challenging the work of the Government.
- **Representation:** expressing their viewpoint during debates and raising their constituents' concerns with the hope of influencing national policy.

The work of Parliament is separate from the work of Government. The Government is responsible for the day-to-day administration of the country; Parliament is there to hold it to account and to make laws.

A short history of representation

The history of how this came to be goes back a long way, to the Magna Carta. The Magna Carta treaty was signed in 1215 to limit the power of the monarch, and led to the formation of Parliament in order to represent the interests of towns and counties across England and Wales. By 1430 everyone with an income of over 40 shillings could vote in country elections. At the time, this was quite a lot of money, so not very many people were allowed to vote.

This rule remained in place for 400 years, until 1832 when the vote was expanded to roughly 1 in 7 men, still dependent on those men's level of wealth. It was expanded again in 1918 where all men over 21 and eligible women could vote. By 1928 men and women could legally vote on equal footing, and in 1969 the voting age was lowered to 18. In 2025, the Government will lower the voting age to 16.

Over centuries, power has passed from the monarchy to our elected Parliament, which is now the primary legislative body that decides laws and agrees taxes for the UK.

Over time, the UK has also devolved some powers from Westminster to Scotland, Wales, and Northern Ireland, creating their own parliaments and assembly that handle domestic issues like health and education in their areas.

History of MPs' pay

Under the Parliament Act in 1911, MPs first started to receive an annual salary of £400 (equivalent to about £60k in today's money). At the time the national average annual salary was £70.

Before this, MPs needed a separate income or patronage (financial support from another individual or organisation) to be able to run for Parliament.

The push for MPs to be paid was driven by the rise of the Labour Party and the Chartist Movement, a drive for political and social reform to better represent the working classes.

The introduction of pay had the impact of:

- Increasing representation of those from less privileged backgrounds, leading to a more inclusive and representative Parliament
- Reducing dependence on patronage, reducing conflicts of interest, and increasing the independence of MPs

Pay and funding over time

MPs' pay rose to £4,500 by 1971. From 1971 to 2010, MPs' salaries were based on senior civil service bands and were reviewed at the beginning of each parliament. During this period, the Senior Salaries Review Board and other experts made recommendations to Parliament about MPs' pay, then Parliament made the final decision.

The system for setting and administering MPs' pay changed completely following the expenses scandal in 2009. The scandal related to the misuse of allowances and expenses by some MPs at the time. It brought to light the need for an independent body to decide how MPs should be paid and funded, both to prevent abuses and to stop the common practice of MPs voting against their own pay rises to avoid losing popularity with voters.

In response to the expenses scandal, Parliament passed the Parliamentary Standards Act 2009. The Act gave responsibility for setting, administering, and regulating MPs' pay and business costs to a new public body, the Independent Parliamentary Standards Authority (IPSA).

A few starting questions

The following are some questions that you might want to think about. Don't worry about having answers to any of these. They are just there to help you think about the topic in different ways.

What are your experiences with our democracy?

What do you value about our democracy and what, if anything, would you like to improve?

What does fair pay mean to you?

How does being paid a lot or a little affect how well you can do a job?

What role do you think MPs' pay and funding plays in our democracy?

Key words & concepts

Below are some key words and concepts that you might hear. You don't need to memorise these, but you may find it helpful to look back at them.

Key word or concept	What it means
Bill	A proposal for a new law or a change in law. Bills only become law once they have passed through Parliament and received Royal Assent.
Constituency	A single geographical area that is represented by one MP.
Constituent	A person who lives in a constituency.
Democracy	A system of government in which power is held by elected representatives who are freely voted for by the people, or held directly by the people themselves.
Government	The Government runs the country and has responsibility for developing and implementing policy and for drafting laws. It is usually formed by the party that gains the most seats in the House of Commons at a general election. It is headed by the Prime Minister who appoints Government Ministers. Members of the Government sit in Parliament and are accountable to Parliament.
House of Commons	The democratically elected, lower chamber of the Parliament of the United Kingdom, where Members of Parliament (MPs) represent their constituents. It is there to review laws and hold the Government to account.
House of Lords	The House of Lords is the second chamber of the UK Parliament, an unelected "revising chamber" that works with the elected House of Commons to pass laws, scrutinise Government actions, and investigate public policy.

The Houses of Parliament	Refers collectively to the House of Commons and the House of Lords. Sometimes also used to refer to the Palace of Westminster, where they are located.
Legislation	A law or a set of laws currently in effect that have been passed by Parliament.
Member of Parliament (MP)	An individual who has been elected by a majority of voters in their constituency to represent them in the House of Commons.
MP Funding	The money provided to enable MPs to carry out their parliamentary duties, e.g. to cover costs associated with staff, office, travel, and accommodation. It is administered by IPSA.
MP Salary	The yearly amount paid to MPs, decided by IPSA.
Parliament	An assembly of representatives, usually of an entire nation. Members have the power to make laws, closely examine the Government's actions and represent the people. The UK Parliament is made up of the monarch, the House of Commons, and the House of Lords. There are also parliaments in Wales and Scotland and the Assembly in Northern Ireland, which look after domestic issues.
Parliamentary sovereignty	A core principle of the UK constitution, which means that the UK Parliament is the supreme legal authority. Parliament is able to create or abolish any law and no other body can override its legislation.
Peer	Member of the House of Lords, appointed by the Monarch on advice of the Prime Minister.
Policy	A deliberate course of action, set of principles, or statement of intent adopted by a government to address a specific problem or achieve a desired outcome
Political party	An organisation made up of people with similar political ideas who group together to try to get their members elected to Parliament and to influence public policy.
Politics	Politics can be defined in a variety of different ways: the exercise of power, the exercise of authority, the making of collective decisions and the allocation of resources.
Public funds	The money that is used by the Government to provide goods and services to the public in general.
Remuneration	Any form of payment an employee gets in return for working, including salary, wages, pensions and any additional employee benefits

MPs' Pay and Funding over time

● MPs' Funding

● MPs' Pay

1969

Office Costs Allowance Introduced

The Office Costs Allowance (OCA) introduced to cover the cost of a secretary (equivalent to c. £9k in today's money). Previously limited resources with no formal system for admin support.

1972

OCA Expansion

OCA increased to £1000 with option to use for research assistance.

2001

Allowance Restructure

OCA separated into staffing allowance and expenses. Allowance increased to support 3 staff members.

2012

Staff Increase

OCA staffing allowance increased to support 4 staff members.

2022

Current Staffing Level

OCA staffing allowance increased to support 5 staff members.

1911

MPs' Pay Introduced

MPs' pay introduced at £400 p/a (equivalent to c. £60k in today's money).

1964

Salary Increase

MPs' salary increased to £3,250 (equivalent to c. £60k in today's money).

1971

Salary Adjustment & Civil Service Link

MPs' salary increased to £4,500 (equivalent to c. £60k in today's money). Salary linked to Senior Civil Service bands and reviewed by Senior Salaries Body.

2009

MP Expenses Scandal

Scandal regarding some MPs' expense claims, leading to calls for reform.

2009

Parliamentary Standards Act

Parliamentary Standards Act establishes IPSA as independent MP pay body in response to expenses scandal.

2010

End of Civil Service Link

MPs' salary no longer linked to Senior Civil Service bands.

2011

Independent Pay Decisions

First independent decision on MPs' pay by IPSA.